

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2661
ANSWERED ON:07.03.2003
ROTATION OF AUDITORS
BALIRAM;P.R. KHUTE;S. SAIDUZZAMAN

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether the Government propose to take a policy decision to rotate Cost Auditors appointed by various Companies on three years basis;
- (b) if so, the details thereof;
- (c) whether Cost Auditors of the companies are helping in manipulating balance sheets;
- (d) if so, the details thereof; and
- (e) the action Government propose to take to correct the situation?

Answer

MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH)

- (a) No, Sir.
- (b) Does not arise.
- (c) No, Sir. A Cost Auditor appointed under the Companies Act is not associated with preparation of the Balance Sheet.
- (d) & (e) Does not arise.